



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

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Chief Administrative Officer

January 11, 2005

To: Supervisor Gloria Molina, Chair
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Supervisor Don Knabe
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From: David E. Janssen
Chief Administrative Officer

**PRELIMINARY REPORT – NINTH AMENDMENT TO THE REDEVELOPMENT PLAN
FOR THE POLY HIGH REDEVELOPMENT PROJECT – CITY OF LONG BEACH
(FOURTH DISTRICT)**

Consistent with Board policy and direction, we are advising your Board that the City of Long Beach has sent us the Preliminary Report for the proposed amendment for the Poly High Redevelopment Project. The Preliminary Report includes the following information:

- Map of Project Area (Attachment I)
- Physical and Economic Conditions of Blight (Attachment II)
- List of Planned Projects (Attachment III)
- Impact on County General Fund (Attachment IV)

The proposed amendment to the Development Plan will increase the tax increment limit for the receipt of tax increment from \$9.8 million to \$25.0 million. The proposed increase in the project cap will allow the Agency to address remaining blight in the Project Area, including crime and gang activity.

The information on the project area and the physical and economic conditions of blight (Attachment II) was extracted from the Preliminary Report. While this office has not conducted an in-depth analysis to verify or substantiate information set forth in the Preliminary Report, it is the conclusion of our cursory examination and tour of the Project Area that the proposed project generally reflects blighting conditions consistent with legal requirements.

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The proposed Project Area encompasses 86 acres bounded by Pacific Coast Highway, Martin Luther King, Jr. Avenue, Anaheim Street, and Atlantic Avenue. According to the Preliminary Report, the Agency is proposing redevelopment activities including: public improvements, revitalization of commercial and industrial uses, improved housing conditions and addressing concentrated crime areas.

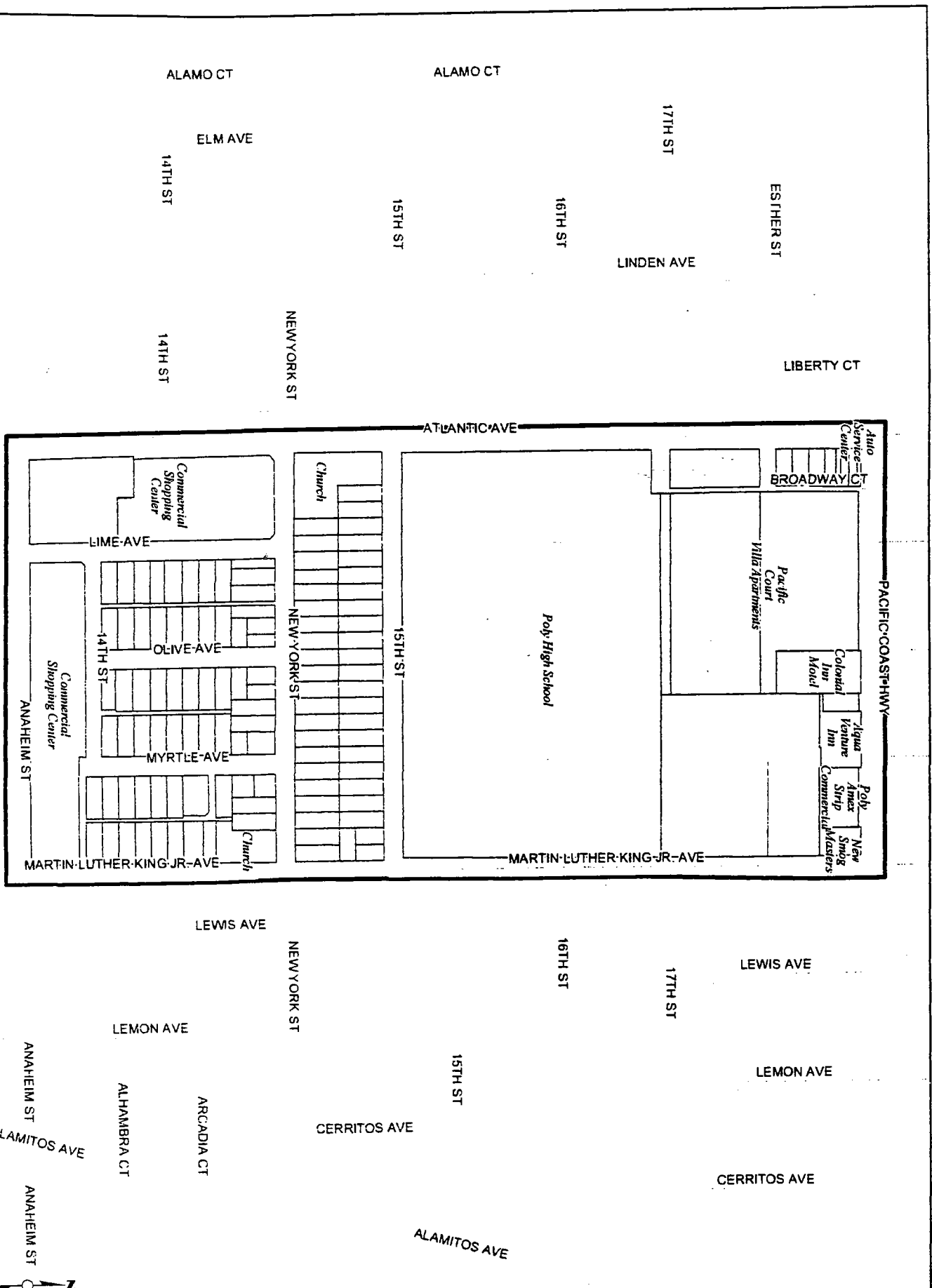
A public hearing on the proposed adoption of the Project Area will take place on February 10, 2005. Failure to voice opposition, if any, at the hearing may preclude the County from legally challenging the proposed project at a later date. If you have any questions regarding this information, please call me, or your staff may call Robert Moran of my office at (213) 974-1130.

DEJ:MKZ
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Attachments

c: Raymond G. Fortner, Jr., County Counsel
J. Tyler McCauley, Auditor-Controller

FIGURE 1
PROJECT AREA MAP



PROJECT AREA DESCRIPTION
PHYSICAL AND ECONOMIC CONDITIONS OF BLIGHT
(From Agency's Preliminary Report)

Physical and Economic Blight Conditions:

The following is a brief summary of the physical and economic blight conditions that are described in the Agency's Preliminary Report for the Project Area:

- Approximately 8 percent of the residential and commercial buildings are in a deteriorated condition and exhibit unsafe or unhealthy living conditions.
- Approximately 80 percent of the single-family residential units are less than 1,852 square feet, which is the average size of a contemporary single-family home built in the Project Area after 1980.
- Approximately 36 percent of the multi-family units are less than 780 square feet, which is the average size of relatively new one-bedroom apartments in the Project Area. The average family size in the Project Area is approximately 3.53 persons.
- The commercial uses within the Project Area (gas station, auto repair, smog shop, motels, laundry mat, and donut shop) are of insufficient size for modern retail uses. Land assembly is difficult because of multiple-ownership.
- The total assessed valuation for the Project Area increased by approximately two percent from 1998 to 2003, or 0.4 percent per year. Over the same 1998 to 2003 time period, assessed values in the City of Long Beach as a whole increased a total of 46 percent, or 9.2 percent annually.
- Approximately 44 percent of the occupied residential units in the Project Area are considered overcrowded in comparison to 22 percent for the City of Long Beach.
- Based on crime statistics from the Long Beach Police Department, the Project Area (86 acres) in 2003 had 1.38 crimes per acre. In comparison, the City of Long Beach (32,000 acres) experienced 0.58 crimes per acre. Also, the Project Area's population represents 0.3 percent of the City's population, yet accounted for 0.6 percent of the crime in the City.

LIST OF ESTIMATED PROGRAM COSTS

Item or Program	Amount
Public Infrastructure Improvements	\$1,114,000
Public Facilities Improvements	\$2,488,000
Housing Rehabilitation and Development *	\$2,164,000
Commercial Marketing Program	\$150,000
TOTAL COSTS	\$5,916,000

*Programs funded by mandatory housing set aside.

IMPACT ON COUNTY GENERAL FUND

Limits of Existing Plan

- **Incurring Debt: 20 Years**
- **Redevelopment Activities: 40 Years**
- **Limitations on Collection of Tax Increment: 50 Years (2023)**
- **Estimated to reach current dollar cap: 2010**

Estimated Project Revenues with increased project cap

- **Assumed Annual Real Property Growth Rate: 2.0%**
- **1972-73 Base Year Assessed Valuations: \$5,327,680**
- **Gross Estimated Increment (2011-2023): \$9,198,093**
- **Housing Set-Aside (20% Minimum): \$1,839,619**
- **County General Fund Revenue With current cap: \$3,679,237**
- **County General Fund Revenue With extended cap: \$778,283**
- **Net Difference to County General Fund: \$2,900,954**
- **Net Present Value Difference to County General Fund:
\$2,072,652**